WIC RETAILER EBT KICKOFF
March 14, 2013
QUESTIONS & ANSWERS

1. Are feasibility studies available to be reviewed?

    Yes, once approved by the USDA they are available for review.

2. What type of pilot do you foresee or envision?

    The pilot will be localized with a controlled number of vendors. Ideally, the intent will be to pilot the EBT system with a new MIS (computer) system.

3. Will there be interoperability between states? Can you take the WIC card to other states?

    WIC is a state-specific grant program, whereas SNAP is a national program. Thus the actual benefit works similarly to checks in that WIC EBT cards from one state are not honored in other states. There may be certain exceptions, such as states that contract with stores on the other side of their state borders where their clients are known to shop. But in general, the benefit is not interoperable in the same way that SNAP EBT cards are interoperable.

4. What has to be changed in POS devices for WIC EBT? What will it cost, what is needed?

    The Nebraska WIC Program will contract with an EBT processor which will develop the system. This processor will set the specifications required for POS systems to connect with their EBT processing system.

5. Interchange fees – with direct connect or TPP, what are the costs?

    If the state selected an online solution, retailers will have the option of purchasing or developing the integration software that will allow them to acquire and authorize WIC EBT transactions through their own POS systems, rather than having a stand-beside EBT terminal. If they do that, the WIC EBT transaction becomes like any other form of electronic payment. If that retailer uses a third party to process its electronic transactions, WIC transactions may be subject to switch or interchange fees as your other electronic payments are. It is wise to contact your third party processor for more information. Retailers also have the option of connecting directly to the EBT processor through a stand-beside terminal and bypassing the TPP and its fees altogether.

6. Can you use a smartcard in an online environment?

    No. In an online system, the authorization for the transaction takes place at a remote host that is accessed in real-time. In an offline scenario, the authorization takes place on a computer chip in the card. It is technically possible to have a card that both accesses a remote host via a mag-stripe and obtains authorization on the card via the computer chip. However, that is not what is contemplated here.

7. How can you be sure the data is secure if it goes through the web?

    If a retailer operates its own POS system and acquires the WIC EBT transactions, that data will be handled at the same security level (PCI) that other transactions are. Some POS

manufacturers, such as VeriFone, use a tunneling technology, similar to the SSL protocols used to transmit most internet-based payments and data. For more information visit http://www.verifone.com/products/security.

8. How do we know if the WIC shopper got the right foods that are on the card?

In an offline WIC EBT scenario the shopper's WIC "prescription" would be on the computer chip in the card. As the checker scans a product's UPC or PLU code, the EBT system searches the shopper's prescription in order to verify whether the shopper is eligible to purchase that item. If she is, the item is deducted from the prescription and added to the purchase. If not, the POS terminal will indicate that the item is ineligible for purchase by that shopper under WIC rules. The online scenario is similar except that the prescription for that shopper is downloaded from a remote host to the POS.

9. Does the client need to sign a receipt with EBT?

No. The PIN provides for that function.

10. What about fraud – is there fraud?

There is demonstrable proof that WIC EBT reduces fraud opportunities, but does not eliminate them entirely. There will always be cases of people who misappropriate other people's cards and PINs, just as there is with other tender forms.

11. Will we have to do the WIC transaction separately?

Whether retailers will have to do the WIC transaction separately is the issue of "mixed basket" processing. In a mixed basket transaction, as products are scanned, the system identifies them as eligible for WIC purchase. Non-WIC items are not identified as such. At the end of the transaction the shopper will have to present another form of tender to pay for the non-WIC items.

In a non-mixed basket transaction the WIC-eligible items are segregated out and handled separately. Whether the Nebraska WIC EBT system will allow mixed basket has not yet been determined.

12. Time length for batch processing – sending the transaction and security – what about failure of the transmission?

The time length for batch processing – sending the transaction and security – in the offline system will vary according to the size of the batch and the speed of the retailer's Internet connection. Generally it would not take more than a minute except for very large store's or chains. The only batch processing in the online solution – sending the prescription to and from the host, generally takes just a few seconds. Either system will have built in controls and procedures for recovery of failed transmissions.

13. What is a mixed basket, will Nebraska be using mixed basket?

Please see the answer to Question No. 11.

14. SNAP EBT works with both integrated and stand beside, is there consideration of that with WIC EBT?

Yes. Nebraska WIC EBT will support both integrated and stand-beside models.

15. Would equipment be shared with SNAP and WIC for EBT transactions?

That has yet to be determined. Certainly, if a retailer already integrates SNAP EBT into its electronic payment platform, and chooses to integrate WIC EBT, they would share the same infrastructure at the POS. If a retailer has a stand-beside terminal, supplied by the state for SNAP EBT, it may or may not be able to accommodate WIC EBT as well.

Processors vary on their ability to integrate the two EBT payments on the same POS stand-beside terminal. POS terminals are like small computers. Whether a particular model terminal can accommodate both SNAP and WIC depends on the memory capacity of the terminal and the speed of its processor.

The state would like to be able to use the same terminal for both programs, if feasible. However, this depends on a number of factors, including the age of the terminal, the ownership of the terminal, and whether the federal government will approve the dual use.